

**§ 561.44**

**12 CFR Ch. V (1–1–99 Edition)**

Director of the Office of Thrift Supervision jointly determine to be operating substantially in the same manner as a savings association.

**§ 561.44 Security.**

The term *security* means any non-withdrawable account, note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, or, in general, any interest or instrument commonly known as a *security*, or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing, except that a *security* shall not include an account or deposit insured by the Federal Deposit Insurance Corporation.

**§ 561.45 Service corporation.**

The term *service corporation* means any corporation, the majority of the capital stock of which is owned by one or more savings associations and which

engages, directly or indirectly, in any activities similar to activities which may be engaged in by a service corporation in which a Federal savings association may invest under part 559 of this chapter.

[54 FR 49545, Nov. 30, 1989, as amended at 62 FR 66262, Dec. 18, 1997]

**§ 561.47 Slow consumer credit.**

The term *slow consumer credit* means closed-end consumer credit delinquent 90 to 119 days (4 monthly payments) and open-end consumer credit delinquent 90 to 179 days (4-to-6 zero billing cycles). For the purposes of computing delinquency, a payment of 90 percent or more of the contractual payment will be considered as a full payment. If an association can clearly demonstrate that repayment would occur regardless of delinquency status—for example, the loan is well-secured by collateral and is in the process of collection; the loan is supported by a valid guarantee or insurance; or it is a loan where the claims have been filed against a solvent estate—then such loan need not be classified as *slow consumer credit*. The following table illustrates the delinquency computation:

CLOSED-END CONSUMER CREDIT

Due date	Period	Delinquency status	Classification
3/10 .....	3/10–4/09 .....	Not delinquent.	Slow.
4/10 .....	4/10–5/09 .....	30 days or 2 payments.	
5/10 .....	4/10–6/09 .....	60 days or 3 payments.	
6/10 .....	6/10–7/09 .....	90 days or 4 payments .....	

OPEN-END CONSUMER CREDIT

Statement	Zero billing		Days		Class
	Day	Cycle	Payment record	Delinquent	
1	1	.....	.....	0	Slow. Slow. Slow.
2	30	1	No payment .....	5	
3	60	2	No payment .....	30	
4	90	3	No payment .....	60	
5	120	4	No payment .....	90	
6	150	5	No payment .....	120	
7	180	6	No payment .....	150	

**§ 561.48 Slow loans.**

With respect to loans on the security of a *home*, as defined in § 541.14 of this chapter, which is owner-occupied, the term *slow loans* means:

(a) Any loan or land contract less than 1 year old which is the equivalent of 60 days (2 months) or more contractually delinquent; or

(b) Any loan or land contract that is from 1 year to 7 years old which is the